



**SCOTTSDALE HOUSING BOARD**  
**One Civic Center 3<sup>rd</sup> Floor Conference Room**  
**7447 E. Indian School Road, Scottsdale, Arizona 85251**  
**FEBRUARY 11, 2003**  
**5:00 PM**

**PUBLIC HEARING MINUTES**

**PRESENT:** Barbara Williams, Interim Chair  
Robert Southworth  
Steve Capobres  
Jeffrey Burg  
Tamara Nagy  
Del Monte Edwards  
Joe Priniski

**STAFF:** Mark Bethel  
Molly Edwards  
Beverly Johnson  
Diane Kallal  
Raun Keagy

**GUESTS:** Dr. Alik Coudroglou, Human Services Commission

Ed Gawf, Deputy City Manager, addressed the Board. He stressed his commitment to the development of housing in Scottsdale. He also noted the appointment of Molly Edwards as the new Housing Resources Liaison. He mentioned the formation of the Indian Bend Strategic Revitalization Committee to be chaired by Judy Register. He stated that the purpose of the committee was to dissolve departmental lines in projects affecting the more mature parts of the City.

**CALL TO ORDER**

Ms. Williams called the regular meeting of the Housing Board to order at 5:05 PM, noting the presence of a quorum. She called for introductions by the meeting attendees.

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### **APPROVAL OF JANUARY MINUTES**

Ms. Williams stated that, as several of the Board Members had not received a copy of the January minutes, approval of those minutes would be tabled until the next meeting. She noted that would allow time for adequate review of the minutes.

### **PUBLIC HEARING ON PROPOSALS BIDDED FOR CDBG AND HOME FUNDS**

Mr. Bethel advised the Board Members that this hearing was the midpoint of the funding process that began in October with the pre-application orientation for the execution of the grant agreements with HUD and recipient contracts with agencies for services. Mr. Bethel noted that there were five applications to be presented and that those applications had been distributed to members of the Board at the January meeting. He stated that the Board would meet again on February 18, 2003 for the purpose of conducting informal discussions and developing final recommendations to the Human Services Commission regarding the applications.

Ms. Williams observed that the Board needed to be cognizant of potential conflict of interest issues, and proceeded to read the Arizona Conflict of Interest law. She stated, for the record, that her daughter is employed by one of the applicants, Community Services of Arizona. She went on to explain that she had received legal opinion that there was no conflict of interest. Mr. Capobres added that he had, in the past, done consulting work for Community Services of Arizona.

Mr. Bethel introduced the first applicant: The City of Scottsdale's Housing Rehab Program. Ms. Waite provided a brief overview of the housing program. She stated that the purpose of the program was to remove structural code violations, providing special devices for the elderly and disabled, and providing cost effective energy conservation improvements. Ms. Waite provided the eligibility requirements for program assistance. She responded to Board Member questions. Ms. Williams inquired about the remaining balance of funds awarded last year and the status of those funds. Mr. Bethel replied that a packet of responses to the evaluation sheet questions had been sent out. He noted that the response contained information as to the number of anticipated jobs that would be completed as of June 30, 2003.

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Ms. Waite clarified that 16 jobs were either completed, under contract, or in the bid process. She noted that she had ten clients in the income process, and estimated completion of 21 homes by June 30, 2003 with a total of \$493,504 to be expended, leaving a balance \$110,226 for possible rollover. These figures are estimated on an average cost of \$22, 522 per job.

Ms. Coudroglou inquired as to how the program was publicized? Ms. Waite replied that information was available on the program's website, that there were yearly publications in area newspapers, and that she made presentations to the senior center, home owner's associations, and lastly referrals from Code Enforcement. Ms. Waite added that continued partnership with the Foundation for Senior Living had been anticipated for the coming year. She explained that the partnership involved taking individuals off of her wait list and forwarding them to the Foundation for Senior Living.

Ms. Williams inquired whether the same contract was being utilized? Ms. Waite replied that the contract has been revised, but is awaiting review by the City Attorney's office.

The next applicant was the Foundation for Senior Living. Ms. **Competello** and Ms. Smith addressed the Board. Ms. **Competello** stated that she had two proposals to present, one for the Emergency Program and one for the Rehab Program. She stated that the foundation provides a wide range of services designated to increase and maintain the ability of individuals to remain independent in their homes and communities for as long as possible. She explained that there are 12 programs sponsored by the foundation and reviewed the scope of the Home and Safety Repair Program. Ms. **Competello** stressed that the program works with the City's Housing Rehab Program and is not in competition with the City. She was seeking \$175,000 for fiscal year 2003/2004, in order to meet the needs of increasing demand for services.

In response to a question by Ms. Williams, Ms. Smith replied that funds for the Emergency Repair and major rehab from the City Program could be combined to allow the client the benefit of both programs in order to get all of the necessary work done.

Mr. Priniski requested demographic information relative to the population being served by the program. Mr. Bethel responded that that the elderly in south Scottsdale made up 65 to 75 percent of the program recipients.

Mr. Capobres asked about the possibility of creating synergies with private investment. Ms. Williams stated that the topic should be discussed at the retreat, along with other strategies for leveraging funds.

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Ms. **Competello** outlined the parameters of the major rehabilitation program. She noted that Scottsdale had attempted a major rehab program by itself this year, and that the Foundation hoped to come up with a proposal to provide services to help reduce the waiting time for the clients. She stated that the Foundation was seeking \$141,000 for 6 major rehabs in years 2003/2004, and would be working in partnership with Ms. Waite to take people off of her wait list to accomplish housing rehabilitation. Ms. Smith added that they use the same forms, contracts etc. that the City program uses to insure consistency.

Brian Swanton and Minnette **Himmelberger** spoke for Community Services of Arizona's First Time Homebuyer Program. Ms. **Himmelberger** explained that the program offers down payment and closing cost assistance. In addition, they provide counseling for a wide range of housing related issues. She advised the Board Members that they had not **been awarded** funds for 2002/2003 because they had funds outstanding from the previous year and that those have since been utilized. Ms. **Himmelberger** reviewed the qualifications and terms of the program. Ms. Williams inquired about foreclosures. Ms. **Himmelberger** replied that, to her knowledge, only two homes had gone into foreclosure in the last two years of the program. She also noted that about 95 percent of the loans are FHA. Ms. Williams commented on the extra burden placed on the homeowner by FHA loan insurance. Mr. Swanton responded to Board Member questions and provided more detail on the actual process that the prospective homebuyer would go through in accessing the program.

Discussion ensued. Mr. Bethel and Mr. Swanton reviewed HUD and Section 8 requirements as they relate to the program.

Mr. Swanton went on to discuss his second request of \$400,000, a combination of Federal Home Funds and local general funds for affordable housing. He explained how those funds would be used and stressed attempts to leverage the funds through lending partnerships. Mr. Swanton noted that housing development efforts are the main focus of CSA, but stated that CSA also operates senior centers, a full service child care program, tenant services, and home repair programs. He stated that they own and operate low-income rental units, and discussed other rehab and new construction projects completed by CSA throughout the State.

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A discussion ensued as to opt out housing. Mr. Swanton described CSA's efforts to assist those tenants of opt-out properties becoming market rate properties. He noted that there are approximately 300 to 400 of these properties in Scottsdale. Ms. Williams expressed concern regarding the funding awarded to CSA the prior year and the fact that those funds had not, to date, been expended. Mr. Swanton explained that CSA had executed a contract to fund a 12-unit acquisition. He stated that a great deal of subsidy was required and that the current allocation was necessary for the financing. In the interim, an investor purchased the property. Mr. Swanton assured Ms. Williams that the funds would all be utilized, but that the amount of the current allocation would determine the size of the project or projects. **He explained that CSA had also submitted a proposal for the Smitty's site.** He stated that he would gladly bring any acquisition opportunities before the Housing Board.

Mr. Bethel stated that the Board would meet on the following Tuesday to deliberate regarding the applications. He noted that The Human Services Commission would meet on the 20<sup>th</sup>, and at that time the Housing Board would present its recommendations. April 14, 2003 there would be a public hearing with presentation to City Council to present a formal recommendation of all of the funds. Once approved by City Council, **staff would negotiate and execute contracts, which would be effective as of July 1, 2003.**

Ms. Williams inquired as to staff recommendations, and what the Board could do to stimulate applications from more nonprofits. Mr. Bethel replied that staff would indeed make recommendations, and attributed the small number of applications to the current market conditions, and the fact that there are not a large number of nonprofits in the housing business.

#### **STAFF AND BOARD COMMENTS**

Ms. Edwards reminded the Board Members that attendance at the Housing Board Learning Retreat on February 25<sup>th</sup> was critical.

#### **ADJOURNMENT**

With no further business to come before the Board, the public hearing of the Housing Board was adjourned at 7:15 PM.